

Basic Money Management Toolkit: Know What You Owe

Theme: Credit & Debt

Intended Audience: General public – Adults

Timeframe of Activities: This worksheet can be explained to a group in approximately 15 minutes. This is a take home activity that should be followed up with discussion questions once complete. Participants will go home and do their own research on each of their creditors: the name and location of each, the amount owed, the amount past due, the minimum monthly payment, and the annual percentage rate of interest being paid on the balance due.

Materials Needed for Activity: A copy of the “Know What You Owe: worksheet for each participant.

Materials Needed For Activity: Explain that in order to get control of personal finances; you must first know what debts you’ve already incurred: Know What You Owe. There are two worksheets, one for secured debt and the other for unsecured debt. Secured debt is “backed” by collateral, which is the property a creditor has the right to seize if you do not pay a debt. The most common forms of collateral include your house, a car, or household goods. When a creditor has collateral for your loan, the creditor has a “lien” on your property, and creditors who have security can repossess the collateral and sell it to get their money. This kind of loan is referred to as a secured loan. Loans without collateral are called “unsecured” loans. It is usually more difficult for a creditor to collect an unsecured debt unless the borrower “returns” rather than pays.

Once all your debt is listed on the worksheets, you will know what you owe and can better determine which debts you need to make a priority for payment. This and the “Use Power Payments to Get Out of Debt” activity will help you get your debt information in one place so you can more easily make a payment plan that works best for you.

Educators: After your participants return to the classroom following this activity, ask:

- Did you find the details you needed to complete this credit and debt activity?
- What is your highest interest rate?
- How much have you paid in fees?
- Before doing this activity, did you realize how much debt you have?
- Total up your “Unsecured Debt” monthly payments and your “Secured Debt” debt monthly payments.
- What percent of your monthly take-home pay is dedicated to debt repayment?

For More Information on This Activity: Secure copies of the publication: “In Over Your Head” from Ohio State University Extension, Bulletin 891. This detailed 35 page workbook takes participants step-by-step through the process of understanding and dealing with overwhelming personal debt.

Author(s) Name: This is a worksheet used to get organized. It merely helps participants list and add up their debt. As such, there is no author.



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Basic Money Management Toolkit:

Know What You Owe

Unsecured Debt

<i>List of Creditors (From Largest to Smallest)</i>	<i>Total Owed</i>	<i>Monthly Payment</i>	<i>Due Date</i>	<i>Annual % Rate of Interest and Calculation</i>	<i>Credit Limit</i>	<i>Total Past Due</i>	<i>Service Charges & Other Fees</i>	<i>"X" If Sent to a Collector</i>
<i>Company Address</i>								
<i>Phone Account #</i>								
<i>Company Address</i>								
<i>Phone Account #</i>								
<i>Company Address</i>								
<i>Phone Account #</i>								
<i>Company Address</i>								
<i>Phone Account #</i>								
Totals:								



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Secured Debt

<i>List of Creditors (From Largest to Smallest)</i>	<i>Item(s) purchased</i>	<i>Total Balance Owed</i>	<i>Monthly payment</i>	<i>Payment due date</i>	<i>APR (Annual % Rate)</i>	<i>Equity (amount already paid)</i>	<i>Total past due</i>	<i>Months behind in payment</i>
<i>Company Address</i>								
<i>Phone Account #</i>								
<i>Company Address</i>								
<i>Phone Account #</i>								
<i>Company Address</i>								
<i>Phone Account #</i>								
<i>Company Address</i>								
<i>Phone Account #</i>								
Totals:								

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